

BLYTHE II ENERGY PROJECT POWER PLANT
CALIFORNIA ENERGY COMMISSION and
WESTERN AREA POWER ADMINISTRATION

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New Power Plant Proposed in Riverside County

Western Area Power Administration wants to hear from you about the proposed new Blythe II Energy Project power plant. Caithness Blythe II, LLC proposes to develop a new power plant in the vicinity of the Blythe Energy 520-megawatt Power Plant located in the city of Blythe in Riverside County, Calif. The project site is located approximately 5 miles west of Blythe and just east of the Blythe Airport.

BEP II is a 520-megawatt combined-cycle power plant consisting of two 170-MW combustion turbine generators, one 180-MW steam turbine generator, and supporting equipment. BEP II would be adjacent to and located entirely within the existing BEP I site boundary. BEP II may use some existing facilities at the BEP I site including the control/administration and maintenance buildings. Other facilities that are proposed to be expanded to serve BEP II include the groundwater supply, water treatment systems, fire protection facilities and site access roads. Natural gas would be supplied to the BEP II plant by the natural gas pipeline constructed as part of the approved and operating BEP I project. Florida Power and Light is the owner and operator of the BEP I plant.

Caithness Blythe II has applied to Western to interconnect BEP II to Western's Buck Boulevard Substation, located at the northeastern corner of the BEP I site. Western constructed the Buck Boulevard Substation as part of BEP I, and currently owns, operates and maintains the facility. The initial substation design took into account certain future modifications. Additional facilities are needed to accommodate the BEP II 500-kV Integration Switchyard.

The BEP II would be a maximally efficient merchant power plant that can competitively produce electricity for sale to regional markets in southern California, Arizona, and the surrounding region. BEP II essentially duplicates BEP I and is designed to be a highly efficient and clean burning electric generation system. The gas turbines would use state-of-the-art technology to efficiently burn natural gas with reduced nitrous oxides and carbon monoxide emissions using selective catalytic reduction to meet all current state and U.S. Environmental Protection Agency air quality standards.

Caithness Blythe II, a wholly owned subsidiary of Caithness Energy, LLC, would own and operate the BEP II, and would have site control through leases with Riverside County Power, LLC, the owner of the proposed BEP II power plant site. Caithness Blythe II anticipates that it will fund the entire cost of constructing the proposed power plant project, if approved. Details on the power plant project proposal can be found at the California Energy Commission's Web site at <http://www.energy.ca.gov/sitingcases/blythe2/index.html>.

Where can I get more information?

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Why is Western involved in the Blythe Energy Project, Phase II?

Western is a Federal power marketing agency under the U. S. Department of Energy that operates and maintains about 17,000 miles of high-voltage transmission lines and associated facilities in the West, including the Buck Boulevard Substation. Our mission is to market power from Federal hydroelectric plants operated by the Bureau of Reclamation and the U.S. Army Corps of Engineers, such as those at Hoover, Davis, and Parker dams.

Federal law requires us to provide eligible organizations open access to transmission services so that they can move power to load areas. We provide these services through an interconnection if there is available capacity on the Federal transmission system. Any entity requesting transmission services must abide by our Open Access Transmission Service Tariff and our General Requirements for Interconnection. More information about these requirements is available on our web site at <http://www.wapa.gov>.

Caithness Blythe II, LLC has filed a request with Western to interconnect the proposed Blythe II power plant at the Buck Boulevard Substation. Western proposes to make modifications at its Buck Boulevard Substation to accommodate the interconnection of the proposed power plant. Because the proposed Blythe II Energy Project would interconnect to Western's power system, the interconnection request triggers a Federal National Environmental Policy Act review process in addition to the state permitting process. Western also will be the lead Federal agency for compliance with the National Historic Preservation and Endangered Species acts.

Western also has three other requests for interconnection at Buck Boulevard Substation that are subject to other environmental reviews. The first is a request for interconnection for the Desert Southwest Transmission Project, a proposed 118-mile transmission line between Blythe and Southern California Edison's Devers Substation near Palm Springs, Calif. The proposed transmission line would be operated at 230-kV or 500-kV; the Imperial irrigation District is among potential project participants. The Bureau of Land Management, Palm Springs-South Coast Field Office issued a Draft Environmental Impact Statement/Environmental Impact Report on the Desert Southwest Transmission Project on Oct. 10, 2003. A Final EIS/EIR is pending. The Desert Southwest Transmission Project must also pass Western Electricity Coordinating Council's Line Rating Process. Western Electricity Coordinating Council is responsible for coordinating and promoting electric system reliability, and requires all new major high voltage transmission lines to undergo a rating process. The Desert Southwest Transmission Project is necessary for the successful integration of BEPII to the high-voltage grid.

Western's two additional requests for interconnection at Buck Boulevard Substation are being addressed under a joint Commission/National Environmental Policy Act process. The Commission filed a Preliminary Staff Assessment for public and agency review on Jan. 24, 2005, addressing transmission line modifications requested by the BEP I project. The modifications include two new transmission lines that would interconnect at Buck Boulevard Substation – a new 67-mile 230-kV transmission line between the Buck Boulevard Substation and the Julian Hinds Substation located approximately sixty miles to the west, and a new 6.7 mile 230-kV transmission line (initially operated at 161 kV) between the Buck Boulevard Substation and SCE's existing Palo Verde-Devers 500-kV transmission line.

Western needs your help to consider environmental impacts

Before Western can agree to the interconnection for the proposed project, it must consider the project's potential environmental impacts in a NEPA review process. This newsletter serves as Western's notification to prepare an environmental assessment for the proposed project. As part of the EA process, Western needs to identify the scope of, and alternatives to, the proposed action. Western has participated in the Commission's Certification Process and will use the results of the Commission Certification Process conducted to date to identify the scope for the EA. Your review and input on the Draft EA, currently planned for issuance in late March 2005, will help Western ensure that all environmental impacts from the proposed project are being appropriately addressed.

Western and the California Energy Commission are working together

For the proposed Blythe II Energy Power Plant Project, Western's NEPA review process will be meshed with the Commission's Facility Certification Process to eliminate duplication between the state and Federal processes, thus making it easier for the public to follow one process instead of two. The Commission is responsible for reviewing the environmental impacts of the proposed project in accordance with the California Environmental Quality Act and ensuring that the project complies with all local, state, and Federal laws, ordinances, regulations, and standards. In addition, the Commission issues any state or local permits necessary for the construction of the power plant. Western and the Commission staff plan to issue a joint final staff assessment-Commission/Draft EA-Western. This joint document will be available to the public, posted on the Commission website, and will be circulated to state agencies and Indian tribes for comment. After the FSA/Draft EA is issued, the Commission will host evidentiary hearings on the FSA. Western personnel will participate in the Commission evidentiary hearings and all input received in writing and at the evidentiary hearings on the FSA/Draft EA will be used by Western to support preparation of a Final EA.

The presiding commissioner for the Commission Certification Process will issue a Presiding Member's Proposed Decision following the evidentiary hearings. An additional hearing(s) will be held after the proposed decision is issued, followed by the Commission's Final Decision. Western will participate in these hearings to ensure that it captures in Western's Final EA any new developments that result from the hearing process. The Final EA will provide Western a framework to analyze and judge the magnitude of environmental impacts. If Western finds from the Final EA that there are no significant environmental impacts, we can issue a "finding of no significant impacts" and move forward with the project. If the Final EA identifies unmitigated significant impacts, an environmental impact statement process will be initiated to take a more detailed look at the impacts and alternative approaches to the proposed project.

What's the project schedule?

Western is participating in the Commission Certification Process and your opportunities to provide input and comment on the joint FSA/Draft EA will be scheduled by the Commission's presiding commissioners. Western's and Commission staff's joint FSA/Draft EA is anticipated for publication in late March 2005. A schedule for other public review opportunities, including the Commission's evidentiary hearing process, public comment, the Presiding Members' Proposed and Final Decisions and Western's Final EA (with its determination on whether or not to prepare an environmental impact statement) will be determined after the FSA/Draft EA is published.

LEGEND

- Project Location
- Blythe Substation
- Interstate Highway
- Secondary Paved Road
- Gravel/Two Track Road
- Railroad
- Intermittent Stream/Canal

Scale 1:120,000

North

FIGURE 2.0-1
REGIONAL LOCATION OF
THE PROPOSED PROJECT

BLYTHE ENERGY PROJECT
PHASE II

DATE: 10/10/00
PROJECT NO.: 100-100000-01
SHEET NO.: 100-100000-01
SHEET TOTAL: 100-100000-01